

1
2 UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

3 -----X
FRONTIER AIRLINES, INC.,

4
5 PLAINTIFF,

6 - against -

Case No.:

1:20-cv-09713-LLS

7
8 AMCK AVIATION HOLDINGS IRELAND LIMITED,
9 ACCIPITER INVESTMENT 4 LIMITED, VERMILLION
AVIATION (TWO) LIMITED, WELLS FARGO TRUST
10 COMPANY, N.A., solely in its capacity as
OWNER TRUSTEE, and UMB BANK, N.A., solely
in its capacity as OWNER TRUSTEE,

11 DEFENDANTS.

12 -----X
DATE: March 23, 2022

13 TIME: 9:08 A.M.
14

15 VIDEOTAPED HYBRID DEPOSITION of the
16 Defendant, AMCK AVIATION HOLDINGS IRELAND
17 LIMITED, by a Witness, JANE O'CALLAGHAN,
18 taken by the Plaintiff, pursuant to a
19 Subpoena and to the Federal Rules of Civil
20 Procedure, held remotely, at all parties'
21 locations, before Karyn Chiusano, a Notary
22 Public of the State of New York.
23
24
25

A P P E A R A N C E S:

LANE POWELL, P.C.

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AMCK AVIATION HOLDINGS IRELAND LIMITED,

ACCIPIETER INVESTMENT 4 LIMITED,

VERMILLION AVIATION (TWO) LIMITED, WELLS

FARGO TRUST COMPANY, N.A., solely in its

capacity as OWNER TRUSTEE, and UMB BANK,

N.A., solely in its capacity as

OWNER TRUSTEE

31 West 52nd Street

New York, New York 10019

BY: JEFF BUTLER, ESQ.

ALSO PRESENT:

JONATHAN DiFILLIPO, Videographer

AARON SCHAER, ESQ., LANE POWELL, P.C.

DARCY DEIBELE, LANE POWELL, P.C.

* * *

OPENING STATEMENTS

MR. BUTLER: Jeff Butler
representing the Defendant, AMCK.

THE VIDEOGRAPHER: Okay. Will
the Court Reporter please swear in
the witness.

J A N E O ' C A L L A G H A N, called
as a witness, having been first duly sworn
by a Notary Public of the State of New
York, was examined and testified as
follows:

THE COURT REPORTER: Can I
kindly have your name, spelling
please?

THE WITNESS: Jane O'Callaghan.

THE COURT REPORTER: Can I have
your address, please?

THE WITNESS: Home address?

THE COURT REPORTER: Please.

THE WITNESS: 4 Belgrave Place,
Rahmanes, Dublin D06X6V6.

THE COURT REPORTER: Any time
you're ready, I am ready for you.

MR. HOSENPUD: Thank you.

/ / /

JANE O'CALLAGHAN

report?

A. I report to the CEO.

Q. Do you report to anybody at CK
Access?

A. No, I do not.

Q. Is your employment ending with
AMCK?

A. Yes, it's expected to end at
some point in April of next month.

Q. And will you transition to any
other entity or will you be out on the
market?

A. I am out on the market.

Q. And when in April?

A. I don't know yet. The closing
date is predicted to be sometime in the
middle of April.

Q. And will AMCK Aviation continue
its operations after the closing date?

A. It's not -- it's not expected
to. I believe there will be a couple of
junior finance people kept on for a period
of time to just transition accounts, minor
kind of admin type of tasks for perhaps a

JANE O'CALLAGHAN

couple of months.

Q. And in speaking with Mr. Fabian Bachrach, he indicated that he is a consultant and has known you for 40 years. Also in -- and he also indicated that his contract has been altered to end December 31, 2022.

Do you know why he would continue?

A. No, the -- the plan was we would have in the past since I hired Fabian, we've done a contract on the basis of a 12-month rolling basis. So, rather than amend that form of contract, we just decided to just let it role for another 12 months. He understood perfectly well, as did I, that it would be terminated at such point as we closed the sale of the AMCK business.

Q. As part of the transaction and closing of the sale, will the owner trustees change in the leases that are connected to Frontier Airlines?

A. I cannot say that because I

1 JANE O'CALLAGHAN

2 A. Yes.

3 Q. And that would have been on
4 each date that you had those calls?

5 A. Yes.

6 Q. All right.

7 MR. HOSENPUD: Note for the
8 record, request follow-up on all
9 dates identified as reflecting phone
10 calls with Frontier and Ms.
11 O'Callaghan for those notes.

12 MR. HOSENPUD: All right.
13 Let's look at 16.

14 (Whereupon, Draft e-mail with
15 metadata was marked as O'Callaghan
16 Exhibit 16 for identification as of
17 this date by the Reporter.)

18 (Witness reviews document.)

19 Q. Exhibit 16, Ms. O'Callaghan,
20 appears to be an e-mail in draft form to
21 yourself. It is AMCK031 --

22 MR. HOSENPUD: Strike that.

23 Q. AMCK03164. And if you turn to
24 the second page, I will represent to you
25 that this is the Metadata that accompanied

JANE O'CALLAGHAN

that e-mail. This is created on March 25, 2020.

Do you see that?

(Witness reviews document.)

A. Yes.

Q. Okay. So, going back to the first page, it says Draft:

"Just to summarize the company's position on Frontier and, then it's blacked out, following this morning's discussion."

And then it reads:

Frontier.

"We will accede to the Frontier request of all its lessors for three months rent deferrals, commencing April, in respect of 14 of our 15 aircraft (excluding the A320neo delivered on March 16) with repayment over subsequent four months versus their nine-month amortization requests, on the following conditions."

Then a bullet point.

"We will honor our SLB financing commitment in respect of the

JANE O'CALLAGHAN

second A320neo delivery from our package of 6 in 2020 due on 13th April."

What were you -- what meeting or discussion were you summarizing from on March 25, 2020?

A. I don't recall because I often have a tendency to do this, to start putting together a draft of an e-mail or a recommendation. I suspect that this was the start of a draft that we might consider internally following an executive meeting, the 10:30 daily executive meeting, where clearly the Frontier request had come up. And obviously this is not complete because of all of the other conditions that we would have been planning obviously found their way into some other note, but this is just a start of a draft.

Q. And as of this point, however, AMCK Aviation was intending to fund the April 13th A320neo delivery, correct?

A. Well, this was -- this was the beginning of a draft which would have included, and I hadn't yet articulated

JANE O'CALLAGHAN

them, a number of conditions. But depending on whether those conditions were met that was going to be the recommendation.

Q. And when would you have made the recommendation that contained more conditions?

A. The e-mail probably followed within 24 or 48 hours. But I -- I don't have it to hand, so obviously this is just a beginning of a draft.

Q. We will see if we can locate that.

And if -- if you had prepared an e-mail with additional conditions, is it likely that it would have been within the next 24 or 48 hours?

A. It was likely --

Q. All right.

A. -- because we normally try to turn around the requests from big important customers fairly quickly.

Q. All right. So, if that exists, it should be in the record that's been

1 JANE O'CALLAGHAN

2 A. Yes.

3 Q. And so, the exchange of a rent
4 deferral was to essentially increase the
5 purchase -- decrease the purchase price
6 from 51 Million to 48 by virtue of advance
7 payment of 12 months; is that right?

8 A. Correct.

9 Q. That was not a term of the
10 frame work agreement, was it?

11 A. No.

12 Q. And the second condition, the
13 delay of delivery of the four sale and
14 leaseback aircraft that were scheduled to
15 be delivered in May through July of 2020
16 was also a condition that was not within
17 the 2020 framework agreement, correct?

18 A. Um-hum, yes. Correct.

19 Q. Okay. And the failure of
20 Frontier to pay the deferred rent on time
21 -- first of all, let me ask what that
22 means. What does "on time" mean?

23 A. It means on time in accordance
24 with any documents that are in place
25 governing the leases and/or a document

JANE O'CALLAGHAN

lessors A) pay more for airplanes than the airlines and B) and pay a higher PDP schedule.

So, typically the lessors pay somewhere between 20 to 30 percent of the purchase price via PDPs, airlines pay somewhere between at lowest 7 to 10 percent and at highest 15, 16 percent. So, the amount of money at risk for lessors is considerably higher.

Q. And so, Mr. Fanning at 016976 responds:

"So, you're asking us in delaying delivery of all the A320Ns for 2020? Well, we've had initial discussions with Airbus and they have been -- not been favorable and they are asking us to take delivery of these A320s."

Did you have any information contrary to that position?

A. No, we weren't party between to any discussions between Airbus and Frontier.

Q. And then he says:

JANE O'CALLAGHAN

"If we're unable to delay the deliveries and you're pulling out of the five remaining A320s, we need to know ASAP."

Did you respond to that?

(Witness reviews document.)

A. He made a comment. I didn't specifically respond to that.

Q. And he goes on:

"I know Jimmy's had discussions with Chris Jones at Airbus and as mentioned, the discussion has been, they expect us to take deliveries when the aircrafts are all ready."

And then it stops.

Did you have any discussion with anybody to corroborate that statement?

(Witness reviews document.)

A. No, but it wasn't surprising because that is initially Airbus's initial position.

But on the other hand, we knew from other airlines and lessees that we had that those airlines had been successful in

JANE O'CALLAGHAN

jotted down one or two notes.

MR. HOSENPUD: This is Exhibit
21.

(Whereupon, E-mail dated April
3, 2020 was marked as O'Callaghan
Exhibit 21 for identification as of
this date by the Reporter.)

(Witness reviews document.)

A. Thank you.

Q. This is an April 3 e-mail from
you to Paul Sheridan, dated -- pardon me,
AMCK031157 and it is asking when should we
speak to Gerald about Frontier and blank,
A320neos SLB financing opportunity 2020?

Do you know if you spoke to him
shortly thereafter?

A. I don't know for certain. And
if this was on Friday, it's most likely
that we didn't talk to him until the
following Tuesday morning when we had a
weekly update call with the shareholder at
9:00 A.M.

Q. And you were discussing eight
A320 SLB financing opportunities, five of

JANE O'CALLAGHAN

those were with Frontier and three with
another airlines?

A. That's correct.

Q. And did AMCK Aviation follow
through with any of those A320 sale
leasebacks in 2020?

A. No, it did not.

Q. The other company at issue here
is Volaris, isn't it?

A. That's correct.

MR. HOSENPUD: Exhibit 22.

(Whereupon, E-mail dated April
3, 2020 was marked as O'Callaghan
Exhibit 22 for identification as of
this date by the Reporter.)

(Witness reviews document.)

Q. It is a Paul Sheridan e-mail to
Jimmy Dempsey, dated April 3, 2020, carbon
copying Robert Fanning, Spencer Thwaytes
and you. And it says:

"Dear Jimmy.

We have discussed the upcoming
five A320neo deliveries further with our
shareholder overnight."

JANE O'CALLAGHAN

Airlines?

A. I don't know. I'm not familiar with those agreements.

MR. HOSENPUD: Exhibit 24.

(Whereupon, E-mail chain dated April 6, 2020 was marked as O'Callaghan Exhibit 24 for identification as of this date by the Reporter.)

(Witness reviews document.)

Q. This is an e-mail chain with Jimmy Dempsey dated April 6, 2020. It's FRONTIER000314 through 316. And I'm at Page 315.

So, this, again, captures your -- Paul Sheridan's April 3, 2020 e-mail to Jimmy Dempsey, carbon copying Fanning, Spencer Thwaytes and you, that you did the draft of as we saw in the prior Exhibit 23.

(Witness reviews document.)

A. Yes.

Q. Okay. And Mr. Dempsey responds:

"Hi Paul.

JANE O'CALLAGHAN

This is very disappointing news. My reading of your e-mail assumes that you will only agree to the rent deferral if we defer aircraft deliveries with Airbus? As a result, I can only deduce that what -- that you will finance the aircraft deliveries and honor your commitment to Frontier if we do not put a rent deferral in place."

Did I read that accurately?

A. Yes.

Q. Did AMCK Aviation ever confirm in writing that it would honor its commitments to Frontier if no rent deferral was in place?

A. We didn't need to do that. The documents already provide for how we perform under the framework agreement if they are current under all of the other leases.

Q. But in response to this e-mail, did AMCK Aviation confirm that it would do so if no rent deferral was in place?

A. We didn't need to do that. So,

JANE O'CALLAGHAN

as far as I know, we did not do that.

Q. And -- first page of Exhibit 24, goes on to indicate --

MR. HOSENPUD: Strike that.

Q. Jimmy Dempsey writes on April 6, 2020 at 19:05:

"Hi, Paul. Available for a call ASAP. Airbus has closed Mobile until April 29th. I am keen to get a deferral in place and am conscious that we have two times rent payments today that we really need to defer."

And then Mr. Sheridan responds that day with summary of a call with Robert and basically indicates that -- that there will be no action taken or call any defaults for non-payments of rents due -- from today, April 6 to April 21."

Did I summarize that accurately?

A. Yes.

Q. And then Mr. Dempsey repeats:

"I appreciate this. As you know, this will continue to be a challenge

1 JANE O'CALLAGHAN

2 Q. You were remote at this point,
3 correct?

4 A. We were remote, yeah.

5 Q. Okay.

6 A. So, if I had to taken part in
7 this call it would have been in living room
8 or my kitchen area.

9 Q. Understood.

10 Did you have a home office is
11 that what you're referring to?

12 A. Yes.

13 Q. Okay. Do you remember anything
14 about it?

15 A. By this call?

16 Q. Yes.

17 A. No. Honestly, no.

18 (Whereupon, E-mail dated April
19 9, 2020 with Frontier Forbearance
20 Letter attached was marked as
21 O'Callaghan Exhibit 31 for
22 identification as of this date by the
23 Reporter.)

24 (Witness reviews document.)

25 Q. Exhibit 31 is an e-mail from

JANE O'CALLAGHAN

you dated April 9, 2020 to Robert Fanning,
Sharath Sashikumar and Spencer Thwaytes.
It reads -- and it's AMCK016655 through
659. It reads:

"Hi, Robert.

Herewith a draft of the
deferral letter from 1 of 14 aircraft (the
recently neo is excluded). We are in the
process of cloning out the letter for the
other 13 aircraft, but rather than wait
thought it wise to send the draft for your
review."

(Witness reviews document.)

Q. And then it contains a draft
letter, correct?

A. Correct.

Q. And now, what -- what prompted
you sending this out?

(Witness reviews document.)

A. I don't recall, but I guess --
this is based on the standard form
forbearance letter that AMCK produced for
all lessees that we had a similar agreement
with. And I guess that we would have been

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1 sending this out in response to a draft
2 that their lawyers provided us to review
3 and get working on in the event that we
4 reached agreement on all of the other
5 conditions that we would require in order
6 to proceed with agreeing with these in
7 relation to the 14 airplanes.
8

9 Q. So, this did not -- this
10 pertains only to rent on the 14 leases,
11 correct?

12 (Witness reviews document.)

13 A. Yep. It pertains to the
14 forbearance event in relation to the 14
15 airplanes and this was just in relation to
16 the one airplane and the plan would have
17 been to agree to this form and then dup it
18 out for the other 13.

19 Q. And it did not address delivery
20 deferral -- the delivery deferral topic,
21 correct?

22 A. The forbearance letter would
23 not. That would be a separate side letter.

24 Q. So, as of this point, AMCK
25 Aviation had not abandoned its position

JANE O'CALLAGHAN

that rent deferral condition was
conditioned on delivery deferral, correct?

A. We had set out our position, I
guess we hadn't -- we never abandoned
discussions with big important customers
like Frontier. It was always a hope that
we would agree all of the conditions,
notably the deferral of delivery, in order
to be able to do something on the rent
deferral.

Q. My point is that this letter
addressing the rent deferrals, did not have
any bearing on AMCK Aviation abandoning a
condition of delivery deferral for the rent
deferrals to be in place?

A. That would not be dealt with in
the forbearance letter to say this was a
standard form forbearance letter that we
like to use for all of our lessees. And it
was a piece of the overall offer that we
had made in writing to Jimmy and others.

(Whereupon, E-mail chain dated
April 6, 2020 was marked as
O'Callaghan Exhibit 32 for

1 JANE O'CALLAGHAN

2 Did I read that accurately?

3 A. Yes.

4 Q. So, you were advocating doing
5 the -- taking a step to assure the
6 integrity of AMCK Aviation and giving
7 notice to Frontier that even if they were
8 current on rents, there would be no funding
9 of the sale and leaseback subject to the
10 2020 agreement at their current prices?

11 MR. BUTLER: Object to the
12 form.

13 A. I mean, I think these were just
14 musings. I wasn't surprised that Board
15 directors raised these kind of issues and
16 items, all Boards or all lessors were
17 having similar conversations and talks at
18 Board meetings throughout 2020.

19 Nevertheless, I think everybody
20 realized that if they did get current, we
21 would have no option. We had to perform,
22 otherwise it would have been breach of
23 contract.

24 Q. Right. But your statement was,
25 we'd be better off telling them that we

JANE O'CALLAGHAN

can't get shareholder comfortable with 2019
contracted pricing, even if they are
completely current on all payments,
correct?

(Witness reviews document.)

A. We didn't do that.

Q. You -- you were not given any
authority to do that?

A. We did not do that.

Q. All right. Because nobody gave
you authority to do that?

A. I wasn't even suggesting it. I
was saying -- musing that perhaps that was
one, you know, way that we could approach
this, but we -- it never went beyond this
and we did not do that.

Q. Then Mr. Sheridan writes:

"It's probably worth discussing
on the team call tomorrow morning. All
have a think between now and then."

And you respond:

"Great, thanks."

The team call, is this the
Executive Team?

1 JANE O'CALLAGHAN

2 please turn to page AMCK041720.

3 (Witness complies.)

4 Q. And just for the record, I am
5 going to identify the Bates range of
6 document Exhibit 35A, 041716 through
7 041737.

8 And please turn to page 041720,
9 it is under the heading Portfolio Update.

10 (Witness reviews document.)

11 Q. There are various attributes to
12 you in this document. And I would like you
13 to just look through them generally and
14 then I'm gonna ask you specific questions,
15 but let me know when you finish looking
16 through them generally where they appear in
17 the various sub-parts of Section 7.

18 A. Okay. I should do that.

19 (Witness reviews document.)

20 A. You just want me to read to the
21 end of 041720.

22 Q. The next page is 21 and may
23 have some references to you.

24 A. Okay.

25 (Witness reviews document.)

JANE O'CALLAGHAN

A. Okay.

Q. Do the paragraphs that reference you accurately reflect the information you conveyed to the Board?

A. I believe so, yes.

Q. Okay. And what I would like to focus on is Paragraph 7.3 in part. You were advising that 32 of 34 lessees had asked for some form of assistance most were in the form of rental deferrals for the months of April, May and June; is that accurate?

A. Yes.

Q. And of those 32 requests, you note that 21 had since been agreed commercially or documentation had been executed.

What does it mean agreed commercially?

A. Means that we had agreed to terms for some form of rent deferral, but that does mean necessarily that we agreed to three months rent deferral for all of those 21.

JANE O'CALLAGHAN

Q. Did that mean you agreed to three months rent deferral for several of those 21?

A. Only among the smaller lessees where the amount of money at risk exposure was limited and I would say it was only in the case of airlines that had maybe less than four or five airplanes on lease from us.

Q. And what were the deferral arrangements for those that had more than that?

A. It was a shorter period. It was not more than 50 percent of rent deferral. In the case of a similar sized airline that we had with a similar number of airplanes and a similar value of assets, so in or around 700 million, we agreed to 50 percent rent deferral for two months and it had to be repaid within the subsequent two months and that it was repaid in full.

And that would be the most comparable lessee that we have in or portfolio to Frontier.

JANE O'CALLAGHAN

Q. You indicate that 11 requests were still pending, Frontier was among those 11; is that correct?

A. Yes, that's correct.

Q. All right. 7 -- Paragraph 7.5 you state that in the middle section:

"Be advised that airlines were now reluctant to take delivery of new aircraft, but Airbus were approving very difficult on requests for deferrals unless a right of deferral had been built into the original sale and Purchase Agreement."

Did I state that accurately?

A. Yes.

Q. And you learned that from your lessees; is that right?

A. We learned that from the markets. So, in some cases we learned this from lessees directly, but more often than not you would heard this from other lessors who had heard it from either lessees or the manufacturer themselves.

Q. Did you learn anything from the manufacturer that would contravene that

JANE O'CALLAGHAN

A. I don't recall seeing it.

Q. All right. Thank you.

MR. HOSENPUD: Exhibit 40.

(Whereupon, E-mail dated April 27, 2020 was marked as O'Callaghan Exhibit 40 for identification as of this date by the Reporter.)

(Witness reviews document.)

Q. This is a Paul Sheridan e-mail exchange with Jimmy Dempsey, April 27, 2020 Frontier 0000338 through 342. It starts with an e-mail exchange on the 27th where Jimmy Dempsey is communicating to Paul Sheridan.

Were you part of this exchange?

(Witness reviews document.)

Q. I see you copied on Paul Sheridan's response.

A. Yeah, I was just copied.

Q. All right. He says to Mr. Sheridan:

"I have just been briefed by Robert and I was working on the assumption that we had to be current on all rent for

JANE O'CALLAGHAN

you to finance upcoming deliveries. This is set out in your e-mail below."

He then states:

"I put a scheme in place with Airbus that would facilitate short term deferrals of aircraft on the basis that you would honor your agreement. Please confirm this is the case as we have a signed -- as we have a lease signed for these aircraft and are willing to ensure the deferred rent is paid as a CP of delivery."

CP, condition precedent, is that your understanding?

A. Yes.

Q. So, do you know if Mr. Sheridan ever confirmed this with Frontier?

A. I don't know whether he confirmed this, but I don't believe he did.

MR. HOSENPUD: Okay. Exhibit

41.

(Whereupon, E-mail dated April 27, 2020 was marked as O'Callaghan Exhibit 41 for identification as of this date by the Reporter.)

JANE O'CALLAGHAN

Q. Okay.

(Whereupon, Minutes from Board of Directors meeting dated May 8, 2020 was marked as O'Callaghan Exhibit 55 for identification as of this date by the Reporter.)

(Witness reviews document.)

Q. Exhibit 55 is the May 8, 2020 minutes. And you were in attendance along with Mr. Sheridan, Gerald Ma, Pat O'Brien and others, correct?

A. Correct.

Q. Section 4.4 is Update on Discussions with Frontier and one other airline; is that right?

(Witness reviews document.)

A. I missed the last of -- an update on...

Q. Yes. With Frontier and another airline --

THE COURT REPORTER: I can't hear you, sir.

Q. Yes. Is Paragraph -- Paragraph 4 of the minutes an update on discussions

JANE O'CALLAGHAN

with Frontier and another airline?

A. Yes, correct.

Q. All right. So, 4.1 through 4.15 are the discussions related to Frontier?

(Witness reviews document.)

A. That's correct.

Q. There are several attributes to you in these discussions and I'd like you to just generally look at those to tell me if you agree that they accurately reflect the information you've imparted.

(Witness reviews document.)

A. Okay.

Q. Do you agree that this accurately characterizes your representations to the court?

A. Yes, I would agree with that.

Q. All right. The first statement I'd like to ask you about is in 4.3 where the minutes state that:

Ms. O'Callaghan advised that Frontier had remained current with rental payments up until March 2020, where a

JANE O'CALLAGHAN

three-months deferral of lease payments alongside the return of a deposit had been requested, subsequent to the payment of the first aircraft.

Is March 2020 an error?

A. I don't understand the question.

Q. You are not aware of Frontier failing to pay March 2020 rent, are you?

A. It's perhaps a bit of a clumsy wording and because what we're really trying to say is that they had remained current with rental payments up until the end of March. But, of course, it was the middle of March when they requested the three-month rent deferral, alongside the return of the security deposit. So, it could have been as slightly more correctly written.

Q. Understood.

And Paragraph 4.8 it discusses that the Board is noting that there could be potentially severe reputational consequences for the company in the leasing

JANE O'CALLAGHAN

and aviation markets if termination rights were exercised.

And you are noted as having responded or informing the Board that from a strategic standpoint to exercise the company's termination rights would provided the best possible leverage with Frontier to continue negotiations.

Did I note that accurately?

A. Yes.

Q. And that's what you represented?

A. Yes.

Q. You also, at 4.12, you noted that there were -- there was only a small pool of potential lessors that Frontier could negotiate new terms with as there was a Fleet Hour Agreement attached to the engines which could only be entered into by parties who signed up to the CFM International Tripartite Agreement. And noted that this may increase the likelihood of Frontier's willingness to enter into renegotiations.

JANE O'CALLAGHAN

Did I note that accurately?

A. That is accurate.

Q. And what are the number of lessors who would be potentially eligible for renegotiation?

A. I don't have an answer to that, you would need to check that with CFM. How many lessors? It was a handful of lessors at the time, it was certainly less than 10.

Q. Fair enough.

And you also advise that should Frontier not be interested in renegotiations and the leases were terminated, the Management Team would look to reinvest the funding of 255 Million into airlines with good credits, such as, and it's blacked out.

Did you redeploy the capital?

A. No, we did not.

Q. At any time?

A. No, we did not.

Q. What was the reason for that?

A. Um, I think that there were no deals with credits that the shareholder

JANE O'CALLAGHAN

felt entirely comfortable with that would meet their obligations. The state of the market was so, um, unpredictable that the shareholder wasn't able to convince themselves that this income stream was completely dependable. I think the idea was we will just -- we'll deploy that in '21. We'll wait out the worst of COVID and we'll deploy it later.

Q. And did you do so?

A. And we bought two A321neos in 2021. That's all.

THE VIDEOGRAPHER: Is this a bad time for me to take us off the record very quickly? I just need to switch SD cards?

MR. HOSENPUD: Please do so.

THE VIDEOGRAPHER: I don't need an extended break at all.

MR. HOSENPUD: Sure. Let's go off the record.

THE VIDEOGRAPHER: The time is 2:50 P.M. and we are off the record.

(Whereupon, a short recess was

1 JANE O'CALLAGHAN

2 A. Yes, we do consider Frontier as
3 a good credit.

4 Q. And from the moment of default
5 after which Frontier paid, Frontier has
6 been current to date, correct?

7 A. Yes, they have been.

8 Q. And in addition, during the
9 course of this -- of 2021, you reached out
10 to Frontier to discuss potentially entering
11 into sale and leaseback agreements,
12 correct?

13 A. In their most recent RFP, yes.
14 I felt that perhaps there was a way in
15 which we might try to rebuild bridges by
16 offering new leasebacks on current market
17 terms.

18 Q. All right.

19 A. Because they are, after all,
20 still one of our biggest lessees. And all
21 things being equal, it would be good to
22 rebuild the relationship.

23 (Whereupon, E-mail dated May 9,
24 2020 was marked as O'Callaghan
25 Exhibit 56 for identification as of

JANE O'CALLAGHAN

from AMCK Aviation --

MR. HOSENPUD: Strike that.

Q. Was there any communication from AMCK Aviation to Frontier Airlines demanding rent payments from the time period of April 21, 2020 to May 8, 2020?

A. I don't know whether the contract management people sent out a reminder, they sometimes do, but it is not needed under our lease. So, I can't answer whether we actually sent them out a not, but it's certainly not needed, necessary under our lease.

MR. HOSENPUD: Move to strike.

Q. My question is: Was there any communication from AMCK --

MR. HOSENPUD: Strike that.

Q. Was there any communication from AMCK Aviation to Frontier demanding rent payments from April 21, 2020 to May 8, 2020?

A. I did not send out a written note.

Q. Thank you.

JANE O'CALLAGHAN

C E R T I F I C A T E

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

I, KARYN CHIUSSANO, a Notary Public
for and within the State of New York, do
hereby certify:

That the witness whose examination is
hereinbefore set forth was duly sworn and
that such examination is a true record of
the testimony given by that witness.

I further certify that I am not
related to any of the parties to this
action by blood or by marriage and that I
am in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 5th day of April, 2022.



KARYN CHIUSSANO